

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

SB 144 – HB 312

February 16, 2009

SUMMARY OF BILL: Revises the method for which the Tennessee Student Assistance Corporation (TSAC) determines the maximum amount for dual enrollment grants.

ESTIMATED FISCAL IMPACT:

Other Fiscal Impact – Increases the expenditure of lottery proceeds earmarked for scholarships and grants by \$2,016,000 in FY09-10 and by \$2,419,200 in FY10-11.

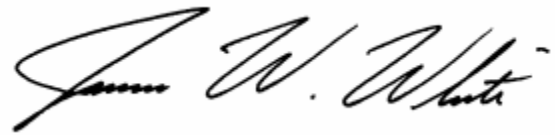
Assumptions:

- Under current law, the maximum amount for a dual enrollment grant shall not exceed the cost per credit hour of courses taken at community colleges in the state university and community college systems.
- Under this bill, the maximum amount for a dual enrollment grant is dependent on whether the course is taken at an eligible two-year institution or at an eligible four-year institution.
- According to TSAC, there will be approximately 14,000 dual enrollment students in FY08-09 under current law.
- Based on the three-year average of dual enrollment recipients for FY05-06, FY06-07, and FY07-08, TSAC estimates that 20 percent of all dual enrollment students (2,800) will attend a four-year institution.
- TSAC projects a 20 percent increase in the number of students (from 2,800 to 3,360) for FY09-10 as a result of this bill, and another 20 percent increase (from 3,360 to 4,032) for FY10-11.
- The Tennessee Higher Education Commission (THEC) projects the additional amount awarded to dual enrollment students to be \$600 per year per student. According to THEC, this amount is commensurate with the increase in the cost per credit hour from a two-year institution, which does not offer on-campus housing, to a four-year institution.
- The increase of expenditures from lottery proceeds for FY09-10 is estimated to be \$2,016,000 (3,360 x \$600 = \$2,016,000).

- The increase of expenditures from lottery proceeds for FY10-11 is estimated to be \$2,419,200 ($4,032 \times \$600 = \$2,419,200$).

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "James W. White". The signature is fluid and cursive, with the first name "James" written in a smaller, more compact script than the last name "White".

James W. White, Executive Director

/rnc